

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

KATHLEEN ANN MATTESON,

INDICTMENT

Defendant.

_____ /

The Grand Jury charges:

COUNT 1
(Bank Fraud)

Between on or about July 14, 2017 and December 31, 2019, in Kent County, in the Southern Division of the Western District of Michigan and elsewhere,

KATHLEEN ANN MATTESON

knowingly executed a scheme and artifice to defraud West Shore Bank, a financial institution insured by the Federal Deposit Insurance Corporation.

The Scheme to Defraud

Beginning in 2006, the defendant worked at a privately held wealth management company (the "WMC") located in Grand Rapids, Michigan, as its Chief Financial Officer and Operations Manager. This company managed the financial affairs of several clients, which included acting as the trustee for approximately 200 trust accounts. The defendant's position at the WMC gave her the authority to transfer funds to and from a

client's account when appropriate, and to pay the company's bills. The WMC maintained a checking account to pay its operating expenses, which was funded by its clients' trust accounts.

Beginning in or about 2007, MATTESON began diverting funds managed by the WMC for her own benefit. One method involved her misuse of the operating account: she created a company she named Acme Delivery Services, which allowed her to submit false invoices to the WMC which she then approved and paid. MATTESON also wrote checks to benefit herself, which she falsely disguised as payroll, expense reimbursements and legitimate cash payments. The defendant also took funds directly from client trust accounts for her own benefit.

In July 2017, the WMC was acquired by West Shore Bank, an institution insured by the Federal Deposit Insurance Corporation. West Shore Bank thereafter became the trustee of the WMC's trust customers. MATTESON accepted employment at West Shore Bank and worked in its trust department. She continued to wrongfully divert funds to her own use after West Shore Bank's acquisition.

The fraudulent financial activities described above sometimes required MATTESON to move funds from one trust account to another to conceal prior fraudulent transactions, and sometimes she created false records when asked to provide documentation of her financial activities. MATTESON never revealed this activity and retired on December 31, 2019.

As a result of this scheme, MATTESON fraudulently obtained approximately \$700,000, approximately \$135,000 of which occurred after she became an employee of West Shore Bank.

18 U.S.C. § 1344(1)

COUNT 2

(Theft, Embezzlement and Misapplication of Funds by Bank Employee)

On or about July 5, 2019, in Kent County, in the Southern Division of the Western District of Michigan and elsewhere,

KATHLEEN ANN MATTESON,

being an officer of West Shore Bank, a bank whose deposits were then insured by the Federal Deposit Insurance Corporation, willfully embezzled, purloined and misapplied \$9,670.09 entrusted to the care of West Shore Bank with the intent to injure and defraud it. Specifically, MATTESON withdrew \$9,670.09 from trust funds entrusted to and administered by West Shore Bank as trustee and used the money to make a payment on her personal credit card.

18 U.S.C. § 656

COUNT 3

(Theft, Embezzlement and Misapplication of Funds by Bank Employee)

On or about September 27, 2019, in Kent County, in the Southern Division of the Western District of Michigan and elsewhere,

KATHLEEN ANN MATTESON,

being an officer of West Shore Bank, a bank whose deposits were then insured by the Federal Deposit Insurance Corporation, willfully embezzled, purloined and misapplied \$5,352.14 entrusted to the care of West Shore Bank with the intent to injure and defraud it. Specifically, MATTESON withdrew \$5,352.14 from trust funds entrusted to and administered by West Shore Bank as trustee and used the money to make a payment on her personal credit card.

18 U.S.C. § 656

COUNT 4
(Aggravated Identity Theft)

On or about July 5, 2019, in Kent County, in the Southern Division of the Western District of Michigan and elsewhere,

KATHLEEN ANN MATTESON,

knowingly used the means of identification of another person without lawful authority during and in relation to the offenses charged in Counts 1 and 2 of this Indictment, incorporated here by reference. Specifically, when MATTESON withdrew the \$9,670.09 entrusted to the care of West Shore Bank, she did so by negotiating a check bearing the signature of account holder D.E., without lawful authority.

18 U.S.C. § 1028A(a)(1)

18 U.S.C. § 1028A(c)(1), (5)

18 U.S.C. § 1028(d)(7)(definition of “means of identification”)

COUNT 5
(Aggravated Identity Theft)

On or about September 27, 2019, in Kent County, in the Southern Division of the Western District of Michigan and elsewhere,

KATHLEEN ANN MATTESON,

did use the means of identification of another person without lawful authority during and in relation to the offenses charged in Counts 1 and 3 of this Indictment, incorporated here by reference. Specifically, when MATTESON withdrew the \$5,352.14 entrusted to the care of West Shore Bank, she did so by negotiating a check bearing the signature of account holder D.E., without lawful authority.

18 U.S.C. § 1028A (a)(1)

18 U.S.C. § 1028A(c)(1), (5)

18 U.S.C. § 1028(d)(7) (definition of “means of identification”)

A TRUE BILL



GRAND JURY FOREPERSON

MARK A. TOTTEN
United States Attorney



TIMOTHY VERHEY
Assistant United States Attorney